

# ***NEWS RELEASE***

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***OFFICE OF THE UNITED STATES ATTORNEY  
SOUTHERN DISTRICT OF CALIFORNIA  
San Diego, California***

***United States Attorney  
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***For Immediate Release***

**NEWS RELEASE SUMMARY** - November 13, 2006

United States Attorney Carol C. Lam announced that Patricia Palacios, the wife of a Mexican national alleged to be a member of the Arellano-Felix drug cartel, was sentenced today in federal court by United States District Court Chief Judge Irma E. Gonzalez to serve two years in custody. Judge Gonzalez also ordered that Palacios serve a three-year term of supervised release following her release from prison. Palacios pled guilty in May to conspiracy to structure more than \$800,000 in financial transactions, and agreed to the criminal forfeiture of cash and several assets.

According to Assistant U.S. Attorney Robert Ciaffa, who prosecuted the case, in her guilty plea Palacios admitted that she conspired with her husband and co-defendant, Gilberto Camacho, to structure deposits of large sums of cash in a manner to avoid the banks' currency reporting requirements. Specifically, Palacios admitted that on various dates between 2001 and 2004, she and Camacho deposited a total of at least

\$822,000 in cash, in increments of less than \$10,000, into multiple bank accounts they controlled at Wells Fargo Bank and Bank of America. Palacios also admitted that she believed that the cash, which was given to her on a regular basis by Camacho, was the proceeds of drug trafficking.

According to the indictment filed on December 7, 2005, Camacho earned large sums of money from drug-trafficking, kidnaping, extortion and murder. The indictment alleged that Camacho was a member of the Arellano-Felix drug-trafficking organization (AFO), that Camacho protected drug loads and stash houses, and that he kidnaped and killed rival drug traffickers, suspected informants and other perceived AFO enemies in Mexico. Camacho is presently incarcerated in Mexico, where he is serving a lengthy sentence. The U.S. charges against him remain outstanding.

Pursuant to the plea agreement, the Government seized and forfeited several assets named in the indictment, including Palacios's home on Misty Creek Court in Chula Vista, four bank accounts containing more than \$146,000, and four vehicles including a BMW and a Hummer. The Government also seized and forfeited an additional \$40,000 in cash, several designer watches and pieces of expensive jewelry valued at more than \$50,000, and a pair of jet skis, all of which were found at the time of Palacios's arrest on December 9, 2005.

Judge Gonzalez ordered Palacios to surrender on January 16, 2007.

United States Attorney Lam said, "Prosecuting narcotics money launderers is a key part of our counter-narcotics strategy."

U.S. Attorney Lam praised the efforts of the Drug Enforcement Administration, the Internal Revenue Service, and the Immigration and Customs Enforcement, which jointly investigated this case. Lam also stated that this investigation was supported by the Organized Crime Drug Enforcement Task Force ("OCDETF"). The OCDETF program was created to consolidate and utilize all law enforcement resources in this country's battle against major drug trafficking.

**DEFENDANT****CASE NUMBER: 05-CR-2203-IEG**

PATRICIA PALACIOS

**SUMMARY OF CHARGES**

COUNT 2                      Conspiracy to structure financial transactions, in violation of Title 31, United States Code, Section 5324(a)(3), and Title 18, United States Code, Section 371.

FORFEITURE                \$822,750 in U.S. currency; the real property located at --- Misty Creek Court, Chula Vista, California; one 2003 Cadillac Escalade; one 2005 Chrysler 300; one 2003 Hummer H2; one 2004 BMW 645; two bank accounts in the name of Gilberto Camacho and two bank accounts in the name of Patricia Palacios.

**AGENCIES**

Drug Enforcement Administration  
Internal Revenue Service, Criminal Investigation  
Immigration and Customs Enforcement